DISTRICTS 1, 2 & 3 MEETING MINUTES

JUNE 6, 2019 | DISTRICT 1 HOSTING | PHILLIPS COUNTY | MALTA, MT
GREAT NORTHERN HOTEL

COUNTIES PRESENT

District 1	District 2	District 3
X Daniels	X Dawson	X Carter
X Phillips	X Garfield	X Custer
X Roosevelt	X McCone	X Fallon
X Sheridan	X Prairie	X Powder River
X Valley	X Richland	X Rosebud
	___ Wibaux	___ Treasure

MACo Staff: Eric Bryson, Executive Director; Jason Rittal, Deputy Director; Shantil Siaperas, Communications Director; Dan O'Malley, Sr. Public Safety Loss Control Specialist

MACo President & Officers: Commissioner Jim Hart, Madison County, MACo President; Commissioner Shane Gorder, Richland County, MACo 1st Vice President; Commissioner Doug Martens, Rosebud County, MACo 2nd Vice President; Commissioner Todd Devlin, Prairie County, MACo Past President (2016-2017)

Guests: Stephanie Verhasselt, Richland County Clerk & Recorder; Lynnel LaBrie, Phillips County Clerk & Recorder; Darlene Kolczak, Phillips County Superintendent of Schools; Tom Halvorson, Richland County Civil Attorney; Senator Mike Lang SD 17; Representative Casey Knudsen HD 33; Fritz (Charlene) Reddig, Senator Daines' Office; Lesley Robinson, Congressman Gianforte's Office; Tayla Snapp, TC Energy Community Relations

Pledge to Flag

Roll Call & Introductions: Commissioner Gary Macdonald, Roosevelt County, welcomed everyone and called the meeting to order. Ms. Siaperas conducted roll call.

District Business

- **Approval of Previous Meeting Minutes:** August 14, 2018 Minutes
  - Commissioner Jerry Collins, Garfield County, moved to accept the minutes. Commissioner Richard Dunbar, Phillips County, seconded the motion. Motion carried unanimously.
- **District Chair/Vice Chair Elections**:
  - District 1 Chair: Commissioner Gordon Oelkers nominated Commissioner Macdonald. With no further nominations, Commissioner Macdonald was elected via acclamation.
  - District 1 Vice Chair: Commissioner Oelkers nominated Commissioner Dunbar. With no further nominations, Commissioner Dunbar was elected via acclamation.
  - District 2: No elections until 2020
  - District 3 Chair: Commissioner Martens nominated Commissioner Steve Baldwin, Fallon County. With no further nominations, Commissioner Baldwin was elected via acclamation.
  - District 3 Vice Chair: Commissioner Bob Lee, Rosebud County, nominated Commissioner Kevin Krausz, Custer County. With no further nominations, Commissioner Krausz was elected via acclamation.
- **Next MACo Districts 1, 2 & 3 Meeting:** May 2020
  - District 2 will host the next meeting: Richland County.

- **MACo Officer Nominations:** 2nd Vice President
    - Shantil Siaperas announced that at the 8, 9 & 12 district meeting Commissioner Andy Hunthausen, Lewis & Clark County, was nominated for 2nd Vice President, and at the 10 & 11 district meeting Commissioner Roman Zylawy, Mineral County, was nominated. Nominations remain open until the close of the MACo business meeting at the September Annual Conference. The Fiscal Officer position is also an elected position; Commissioner Mike McGinley, Beaverhead County, was elected last year, and it is a 2-year term, so it isn't up again until next year.
        - Commissioner Todd Devlin, Prairie County, nominated Commissioner Jason Strouf, Custer County. Commissioner Dunbar seconded the nomination.

MACo FY 2020 Proposed Budget: Eric Bryson

- Revenue
    - HCT royalty payment/income not included in the budget.
    - Rental Income is up 245.58% -- Increased due to the reorganization of staff into different physical offices.
- Expenses
    - Looking at doing something different with our fleet management—we own too many vehicles; inclined to say we trade in our vehicles and go to easy rentals
        - Will be reflected in capital assets
- Capital Assets Plan
    - Have talked about this before; will be talking to HCT about it in July at their work session
    - All assets (including Trusts) will be in one entity that looks like a property management LLC
    - It will clear up the "tenants" and "landlord" situation we have right now with the Trusts and MACo
- Dues
    - No CPI this year (would have been 2.4% this year)
- The Tax, Budget & Finance Committee is made up of commissioners, and they met last week and went through the budget in detail. It will be reviewed by the MACo Board of Directors in June for adoption.

MACo Updates from MACo Staff: Eric Bryson, Jason Rittal & Shantil Siaperas

- State Local Government Services Regional Budget Workshops are in June (one is May 30th in Shelby); will be posted on our website.
- Inflation Factor for Mill Levy for FY 2020 is 1.02% up from 0.82%—the Local Government Services Division is busy reviewing legislation to see if the mill levy calculation form on our website needs updating; as soon as we get the revised form, we will send it out and update it on the website.
- Gas Tax Distributions & Resolution (Bridge & Road Safety Accountability Act, aka BARSAA)
    - 56 out of 56 counties received their funding in the last round; we're at 21 right now.
    - This year we expected it to double due to the timing of the legislation (half of a year); next year it will go up slightly.
    - NOTE: Tribal allocations: Come off the top (not technically part of the BARSAA funds)
    - Revised Resolution Requesting Distribution: Please use the new one and submit it yearly—it is posted on our website.
    - Send us pictures of your projects for the MDT website.
- Trust Updates
    - Property Casualty Trust/Workers' Compensation Trust (PCT/WCT)
        - Removed MACo Executive Director from the Board of Trustees and added a member county Sheriff.
        - New Hire for WCT/PCT: Dan O'Malley, Sr. Public Safety Loss Control Specialist

        - Working on an online Policy & Procedures Manual County Law Enforcement Agencies in Montana: We were looking at Lexipol but now looking at another company that would do correction as well and this company can do it for less.
        - Mobile Eye: Device being installed in patrol cars, which help with safety; gives alerts/helps avoid collisions—we have been receiving good feedback.
        - Peer-review: Staying up on jail standards
    - New Litigator for Defense Counsel: Mark Higgins
    - Policy Manual Changes: With the elimination of hammer clause, we have five attorneys to help guide you in pre-loss consultation.
    - Regional Trainings will include HR Training from McKenzie McCarthy, MACo General Counsel.
  - Health Care Trust
    - Launched Reference Based Pricing last July: RBP is a method of paying hospitals and other medical facilities based on a standard reference point, in this case Medicare; it closes the gap in how much different hospitals in Montana charge for the same services and saves MACo HCT and our participants money. There are already indications this initiative has reduced the costs of the Trust. Our Actuary has already made some initial adjustments for claims funding because of RBP.
    - Switched Pharmacy Benefit Managers effective January 1st. We went from Caremark to Express Scripts (ESI). We look forward to ESI providing better services and resources to manage our members pharmacy spend.
    - We continue to be active in the wellness space to help our members. After 10 years of recruiting of Ravalli County, they joined the Trust effective January 1st as a full member.
- MACo Digital Communications: New website and newsletter launched January 1st; Directory of County Elected Officials mobile app coming soon.
- Valley County Request: If MACo communicates with any employee of their county, the commissioners get CC'd in that communication.
  - Would have to be exemptions, like legal issues.
  - We would like your feedback:
    - If MACo's advice differs, then CC commissioners.
- MACo Annual Survey: Will be sent in August—we encourage you to fill that survey out
  - We are a member services organization, so this helps let us know how we're doing and what you all want or would like changed/added/subtracted from our services.
- Annual Conference: Registration will be available end of June/early July—Please mark your calendars for September 22nd – 26th in Great Falls.
- MACo Committees: Brochure in handouts; our committees help guide us through legislative issues; we can't do it without your participation; please peruse the brochure and when the annual conference comes around in September, you will be given bio forms where you can check off your committee interests.
- MACo Legislative Process: Our legislative policy process concludes with the legislative report that we give at these district meetings, and it reboots at the upcoming Annual Conference.
  - Annual Conference: Committees will begin work on their policy statements, which give MACo staff general guidance through legislative issues with statements of support or opposition on various subjects.
  - Midwinter Conference: February 2020 (also in Great Falls this go-around due to the rotation schedule), the committees can bring committee resolutions.
  - Two District Meetings in 2020: We begin collecting resolutions in May and August of 2020, which if adopted by the membership, become legislation.

  - Pre-Legislative Annual Conference: September 2020, after those district meetings, the committees convene again and vet all resolutions and put their final stamp of approval on their policy statements, and the membership takes the final vote on what will be our legislative packet for 2021.
    - If you don't get appointed to the committee of your choosing, please still go to the meetings and get involved—you all are a great group of folks that will listen to everyone's perspective and each perspective is needed, as it helps thoroughly vet the resolutions and policy statements.
- NACo Leadership Academy: NACo invested $2.5-$3 million for a curriculum that is delivered online; 12-week long course; we've had seven people from Montana go through; first enrollee from each county pays $495; additional enrollees receive a $300 scholarship for a price of $1,695

MACo President's & Officers' Report

Commissioner Jim Hart, Madison County, MACo President

- Thank you for allowing me to be your MACo President.
- I encourage anyone interested in being MACo's President to do so.
- Legislative Session: I anticipated being in Helena often (and I asked several times), but it wasn't necessary—we have three rock stars who took care of everything.
- Federal Work: I've been to the National Association of Counties' (NACo) Legislative Conference in DC as well as the Western Interstate Region (WIR) Conference in Spokane, where Commissioner Greg Chilcott, Ravalli County, stepped into the role of 1st Vice President.
  - Much of our advocacy on these levels has to do with PILT and SRS (PILT was reauthorized for two years and fully funded via the Consolidated Appropriations Act, which passed February 15, 2019).
  - County involvement is important; people need to hear from the folks on the ground on how these dollars impact their counties, and what will happen without it.
- Wild Horse & Burrows BLM Project: BLM will offer an individual $1000 per horse to take care of them.

Commissioner Todd Devlin, NACo Public Lands Steering Committee Member and Payments Subcommittee Chair

- Amending the PILT formula to help out the smallest of the counties in the US—net impact is $3 million
- There has been a stall-out on the amendment until the PILT payments go out. Headwaters Economics did some work to see what would happen if the formula was adjusted, and we have a resolution at NACo.
- Word is spreading: Had a meeting with the Natural Resource Committees leadership in the House and Senate, and they all liked it.
- Ran some numbers to see what the fiscal impact would be, and it was zero because of the minimum federal fiscal impact it would have.

Commissioner Shane Gorder, MACo 1st Vice President

- Legislative Session: Participated both at the Capitol and via conference call; learned not to be in the room if it's not your bill.
- Thank you for allowing me to participate in MACo leadership.

Commissioner Doug Martens, MACo 2nd Vice President

- Legislative Session: Great staff
- Encourage participation in MACo events; the committees generate what MACo does, and the more involved you get the more fun it becomes.
- NACo Environment, Energy & Land Use Steering Committee: Have a seat on the committee, and it's very rewarding; we set policy at the national level; we've had meetings with the bureau chiefs at the White House, and sometimes what we say comes out in President Trump's tweets. What we're doing is working.
- Thanks to my commissioners back home and all of you.

MACo Legislative Report: Eric Bryson, Jason Rittal & Shantil Siaperas

- SB 302, Generally revise laws related to local government budgeting and accounting – Sponsored by Senator John Esp (R) SD 30
  Allows a cause of action in District Court for . . .
  - Failure to adopt or submit an annual operating budget as required by Title 7, Chapter 6, Part 40 within 2 years of the deadline:
  - Failure to file an annual financial report as required by 2-7-503 (1)
  - Failure to complete and submit an audit or financial review as required by 2-7-503(3), or failure to resolve any significant findings or implement corrective action as required by 2-7-515 within 2 years of applicable deadlines
    - By a person who pays property taxes to the local government; any elected officer of any local taxing jurisdiction that collects revenue from or distributes revenue to the local government entity; any person residing within the jurisdictional boundaries of the local government who can demonstrate a specific personal and legal interest and has been or is likely to be specially and injuriously affected by the local government entity's failure to meet the requirements. Penalty may include declaratory relief, appointing a financial receiver for the local government, and attorney fees
    - Complainant must first submit an allegation to the Department of Administration (administrative review). DOA has three options to respond within 60 days. Deny allegations, agree there is sufficient evidence of a violation but initiate technical assistance to get compliance within 6 months, or state there is sufficient evidence. Can't get to court without completing administrative review.
- SB 35, Generally revise school safety laws – Sponsored by Senator Fred Thomas (R) SD 44
  - Interdisciplinary Child Safety Teams (MCA 52-2-211, County or Regional interdisciplinary child information and school safety team): A written agreement used to form the team; now the law requires the county commissioners of each county to form the team to include the youth court, county attorney, Department of Public Health & Human Services, County Superintendent, Sheriff, Chief of any police force, trustees of any school district, Department of Correction (may be regional). White paper and sample letter provided and is also on our website under "Model Policies, Regulations & Policies" in the "Resources & Data" section.
- SB 162, Generally revise election laws on absentee and mail ballots – Sponsored by Senator Roger Webb (R) SD 23
  - Early prep bill: Counting of absentee ballots may begin the day before election day
  - Also allows 3 extra prep days (not weekends) for counties with over 8,000 voters or 5,000 absentee voters (which is the top 13 counties right now)
  - There is no more sequestering--observers MUST sign an oath stating they will not disclose and understand the penalty if they do (penalty = $100,000 to $500,000 or up to 2 years in jail or both)
- HB 129, Generally revising local government laws regarding elections – Sponsored by Representative Ross H Fitzgerald (R) HD 17
  - Nonpartisan bill
  - Allows a county to submit a question to the voters to change from partisan to non-partisan without first adopting an alternative form of government.
- SB 320, Clarify laws regarding cost of care for animals seized – Sponsored by Daniel R Salomon (R) SD 47
  - Worked with ag community (Stockgrowers, Farm Bureau, Veterinarians, and more) to come up with a solution after years of failed bills (not MACo bills, but bills known as "puppy mill bills" that kept coming back every session; however, our bill focused more on the cost of care of the seized animals).
  - When seizing the animals, don't have to arrest the owner.
  - Puts due process in place for the owner.
  - If you dispose of the animal and the person is found not guilty, then you have to pay fair market value.
  - Sets timelines

  - We put in strict rules about third party examinations: If it's a large animal, a large animal vet needs to check them out; if it's livestock, then the livestock inspector needs to examine them; if it's a small animal, then a small animal vet needs to be there.
  - Allows for bonds/liens to help the owner pay.
  - The judge determines reasonable expenses.
- Priority Clerk & Recorder Bills
  - SB 291, Revise laws on voting systems and ballot law – Senator Fred Thomas (R) SD 44
    - Automark replacement bill
    - Changes ballot uniformity laws to allow counties to utilize new technology, such as ExpressVotes.
    - New equipment MUST be certified by the state before you purchase it -- they are setting up the certification for August
  - HB 126, Increase fees on birth & death certificates – Sponsored by Representative Geraldine Custer (R) HD 39
    - Now $8 for birth certificates & $5 for death; no funeral director fee
  - HB 166, Revise display of sample ballots at polling places – Sponsored by Mary Ann Dunwell (D) HD 84
    - No longer need to post sample ballots in the voting booth; however, you if you have the capability to print a larger versions of a sample ballot, then that needs to be posted in a conspicuous location; We suggest posting the largest size you easily can
  - SB 101, Eliminate requirement to return unvoted party ballot – Sponsored by Keith Regier (R) SD 3
    - Does just what it says -- no longer have to send an unvoted party envelope with the absentee ballots
    - SOS will need to update instructions
  - SB 148, Allow late registrants ballots to be dropped off at polls – Sponsored by Senator Bryce Bennett (D) SD 50
    - Does just what it says--before late registrants were supposed to return their ballots to the election office, but this allows voter to drop them at the polls on election day, just like absentee voters
  - SB 232, Allow counties to pay for polling places in certain circumstances – Sponsored by Senator Bryce Bennett (D) SD 50
    - Some counties already do this or have done this, but now it's legal--if you pay for a polling place, you must include it in the cost survey the SOS does after each election
- Airport Bills
  - SB 334, Revise mill levy authority for certain airports – Sponsored by Senator Brian Hoven (R) SD 13
    - Airport mills may now be outside of 15-10-420 caps; permissive – you don't have to take them out.
  - HB 661, Revise aviation fuel taxation – Sponsored by Geraldine Custer (R) HD 39
    - Increases aviation fuel tax by 1 cent with elimination of 2-cent rebate; the funds collected go into the operations account and the grant program for the public use airports.
- HB 150, Generally revise 9-1-1 laws – Sponsored by Representative Frank Garner (R) HD 7
  - Every 911 bill died except this one:
  - Releases Tribal PSAP money directly to them--this money should be coming their way in November (the rules have to be updated and government works slow);
  - Tribal PSAPs will also be able to apply for the 911 grants that were created by HB 61 in 2017--everyone who applied this last year/first year received money; note that there will be an extra $5 million in the account this year
- SB 343, Revise open cut laws – Sponsored by Senator Tom Richmond (R) SD 28
  - Operator had requirement to reclaim; with this bill, if you're the owner, you have to maintain an agreement with the operator for reclamation.
  - Increased the per cubic yard fee instead of the annual fee: 4.5 cents per cubic yard

  - Small use exemptions were codified.
  - This is coming back because the department did not get the money needed to fund the staff positions; they are going to do lots of education and be more responsive.
- HB 52, Revise funding for various economic development programs – Sponsored by Jim Keane (D) HD 73
  - 2019 Economic Development Programs (Now the 2027 Programs)
    - 8-year extension
    - Research & Commercialization was the sacrifice; it had been nickeled-down over the years; so that money was to split before it disappeared completely, some to the General Fund and some to help shore up other programs
- HB 326, Allow person to serve on more than one special district board in rural area – Sponsored by Alan Redfield (R) HD 59
  - If an area fully encompasses more than one special purpose district and has less than 500 registered voters or less, one person may run for more than one board if they are unopposed
- Office of Public Defender (OPD) and Entitlement Share
  - Thank you to the legislators in the room for your service; it's an intense process you're put through.
  - Tying OPD to the Entitlement Share was an issue that arose just prior to the legislative session in December during a Legislative Finance Committee meeting and continued until the end of the session.
    - One narrative was that the Entitlement Share was always intended to be tied to OPD—proved false; when public defenders were given to the state, the Entitlement Share was reduced, and then in the following interim, it was studied.
    - Another narrative was that local ordinances were driving the costs of OPD; but we proved this false, with the help of SB 315, Revise laws on public defender assignments related to local ordinances, (which gave us a fiscal note that said "no fiscal impact") and continue to have those conversations.
  - The discussion about the Entitlement Share payments being yours is going to change in the future; with every passing year, new legislators come in and care less about where the money is coming from—they see it as a General Fund appropriation.
    - Entitlement Share is a compilation of county streams of revenue that is then reimbursed back to counties.
  - Public Defender costs continue to increase for various reasons; but the blame is not on local government (currently an approximately $40 million appropriation).
  - The answer might be a regional approach.
- Interim Studies & Appropriators Catch-all Bill
  - HJ 35, Interim study of state and local tax policy – Sponsored by Alan Redfield (R) HD 59
    - After several attempts for local option tax, Legislators became sympathetic and seemed to understand that they needed to do something for local governments, seeing that the decisions made by the legislature have negatively impacted local revenue
    - Representative Galt: Don't get too excited that something will happen, but I think it will be a four to eight-year process given the elections coming up.
  - HB 715, Generally revise laws related to state finance and provide for fiscal studies – Sponsored by Llew Jones (R) HD 18
    - This bill has been given to the Legislative Finance Committee; they have split it into four different subcommittees, and one of them will look at the Entitlement Share, public defender system, and pension system together as section of the study
- SB 253, Revise the tax lien and tax deed process for residential property – Sponsored by Cary Smith (R) SD 27
  - "Don't take houses from poor people" mentality – doesn't actually happen
  - Undoes what we did to restructure the statutes in the 2015-2016 interim and 2017 legislative session
- Interim
  - We met with the staffer for the Local Government Interim Committee and made suggestions for areas of study during the 2019-2020 Interim: Entitlement Share/Public Defender (different perspective that

what LFC will be studying—including an analysis of unwinding the Entitlement Share—the deconstruction of HB 124 from 2001; we are not advocating giving public defender back to counties or deconstructing the entitlement share); we need to be at the table for these conversations, and we need to be prepared
    - Please make relationships with your legislators.
- Questions/Comments
    - Representative Knudsen and Senator Lang spoke briefly about the legislation they sponsored.

County Round Table Discussions

- Commissioner Duane Mitchell, Richland County: All these bills are about money, but none of them are about creating more income for the state? Harvest the trees. We need to be proactive and bring some resolutions.
- Commissioner Devlin: Our sheriff came in and said we have been inappropriately taking social security money out of their checks and it wasn't allowed by law; the social security office agreed with them; 52 out of the 56 counties have the 218 agreements; there was likely a vote in 1955 for employees to opt-in or out via the Public Employees Retirement System (PERS); we found the vote and we opted in. When Sheriff's Retirement System (SRS) came along in 1964, it was exempt. They are asking for reimbursement of their social security for the last three years; we only have three, about $15K each, think about that statewide; go back and find your 218 agreements and be prepared.
    - Deputy Director Rittal: We're analyzing this carefully and working with Prairie County and DOA.
- Commissioner Dunbar: $50,000 HCT Royalty – made it so the JPT couldn't be a vendor at our conferences. It came before the board three times and got voted down; then it came with a contract of $50,000, and it passed. Our District Chairs will be at the board meeting in a couple of weeks, so I just wanted to bring it to your attention.
- Commissioner John Fahlgren, Valley County: Conservation easements; would like to start a conversation

FLAP, STIP & Secondary Roads Program: Andy White, MT Department of Transportation

- Off System Bridges: Owned by counties, cities, and towns; potential projects can be rehabilitation/bridge replacement
    - The off-system bridge program applies to the entire state, not just counties
    - Two counties can get together and support a nomination
- Federal Lands Access Program (FLAP): Federal/State/Local Partnering Towards FLAP Projects
- Statewide Transportation Improvement Program (STIP)
    - Programming document (isn't planning document): Helps plan out programming of each phase
- Secondary Roads Program

Meeting Adjourned